

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 8 Short Question Preparation

Q1. What is an order cheque?

Ans 1: If a cheque is made payable to a certain person without the addition of the word bearer or order there to such cheque is known as order cheque.

Q2. What are petty expenses?

Ans 1: Small expenses such as postage ,stationary and office sundries etc in a business and known as petty expenses.

Q3. What is meant by petty cash book?

Ans 1: The book in which small payments are recorded is called petty cashbook,These small payments include expenditure stationary ,taxi fare,postage stamps,envelopes etc.

Q4. Define unrepresented cheque.

Ans 1: These are the cheque which have been issued to the creditors or other person and have been recorded in the bank column of the cash book but those cheques have not yet been presented to the bank for payment.

Q5. What is cross cheque?

Ans 1: When two parallel lines are drawn across the face of cheque it is said to be crosses cheque,A crosses cheque cannot be encashed at the counter but can be collected only by a bank from the "Drawee Bank"Crossing may be general or special.

Q6. Define commercial bank.

Ans 1: An institution which accepts deposits ,make business loans and offer related services is called commercial bank.

Q7. Define single column cash book.

Ans 1: In single column cash book only cash received are recorded in debit side and cash payments are recorded on credit side the balance is cash in hand.

Q8. What is cheque book?

Ans 1: Cheque book is a small book issued the bank to its customers, it contains a number of blank cheques for use. It is used to withdraw the amount from the bank by filling in these cheques.

Q9. What is Cheque?

Ans 1: A cheque is an unconditional order in writing to a bank to pay on demand on certain sum of money to a person named in the cheque or to the bearer of the cheque or to the order of a stated person or firm.

Q10. Differentiate between cash book and pass book.

Ans 1: Pass book is a copy of the depositor's account in the bank ledger, which is provided to the depositor.

Ans 2: Cash book: A book in which all transactions involving cash are recorded is called a cash book or cash journal.
